



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: Lektron, Inc.  
File: B-228600  
Date: January 25, 1988

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### DIGEST

Where solicitation states that technical factors will be weighted 40 percent and price 60 percent and award will be made to the offeror most advantageous to the government, the contracting agency may properly award to lower technically rated, lower priced offeror with lower combined point total because the contracting officer made a reasonable determination that protester's technical superiority was not worth the extra cost associated with its proposal and that award to the lower priced offeror was most advantageous to the government.

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### DECISION

Lektron, Inc. protests the award of a contract to Severn Companies, Inc. under request for proposals (RFP) No. MDA903-87-R-0040, issued by Defense Supply Service-Washington. The RFP sought proposals for a firm-fixed-price indefinite quantity requirements contract for hardware and software, principally on a brand name or equal basis, for the Foreign Disclosure and Technical Information Systems Agency. Lektron claims that its best and final offer (BAFO) contained a clerical error which should have been corrected by the agency; that once its price is corrected, the agency should have selected its offer for award inasmuch as that offer scored highest of those submitted, cost and technical points combined.

We deny the protest.

The RFP, issued on June 29, 1987, contained 150 line items to be awarded in five groups. The RFP provided that the agency would evaluate offers for each group for cost, contractor experience and contractor support, with cost counting for three-fifths or 60 percent of available points

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and the technical factors counting for two-fifths or 40 percent of available points. The RFP also provided for making award in accordance with the Federal Acquisition Regulation (FAR), § 52.215-16 (Federal Acquisition Circular (FAC) 84-17), to the responsible offeror whose offer conforming to the solicitation would be most advantageous to the government, cost or price and other factors considered.

Three offerors submitted BAFO's for Contract Line Item Numbers (CLIN's) in Group I. The proposal of Lektron evidenced considerable technical superiority; however, Lektron's proposed price was so much greater than the price offered by Severn that once the agency translated technical and cost factors into point totals, Severn had a small edge. In reviewing proposals, the agency noted that Lektron's price of \$136,971.72 for CLIN 0041, a computer part, was suspiciously in excess of other offers, which clustered around \$14,000. CLIN 0041 was one of the items designated to be awarded as part of Group I.

In response to an agency inquiry, Lektron asked by letter of October 1 for correction of a "clerical mistake" to reflect its intended price for CLIN 0041 of \$14,197.32. Lektron explained that it used an automated system to compute its prices, by which a clerk-typist would enter Lektron's unit price and the automated system would compute shipping, insurance, G & A and profit figures to generate an extended price. The typist had added a "1" to Lektron's original cost of \$11,563.75 so that the automated system generated a price from an erroneous base figure of \$111,563.75 (this unburdened figure, however, did not appear in Lektron's proposal). Lektron has submitted worksheets and affidavits that support its version of events.

The contracting officer concluded that under the standards of FAR § 14.406-2 (FAC 84-12), Lektron's error did not constitute a "clerical" mistake correctable without further negotiations. However, the contracting officer then reevaluated Lektron's proposal, as corrected, to determine whether correction of Lektron's mistake would change the award decision. The results of the new evaluation were as follows:

<u>Without correction of pricing mistake</u>				
<u>Company</u>	<u>Technical</u> (2000 Points)	<u>+ Cost</u> (3000 Points)	<u>=</u>	<u>Total Points</u> (5000 Points)
Severn	1366	2970	(\$3,665,917.48)	4336
Lektron	1827	2460	(\$4,407,119.55)	4287

With Correction of the pricing mistake

<u>Company</u>	<u>Technical</u> (2000 Points)	<u>+ Cost</u> (3000 Points)	<u>=</u>	<u>Total Points</u> (5000 Points)
Severn	1366	2970 (\$3,665,917.48)		4336
Lektron	1827	2640 (\$4,109,103.40)		4467

Since both Lektron and Severn were offering identical equipment, the contracting officer determined that the extra cost of Lektron's proposal (\$443,185.92) was not justified even with Lektron's slight point advantage; accordingly, the contracting officer awarded group I to Severn on October 5. Lektron obtained groups II and V while Severn received group III; group IV went to a third firm. This protest followed.

After reading the agency report and attending a conference called regarding this matter, Lektron has challenged the propriety of the award, alleging that inasmuch as CLIN 0041 was practically identical to CLIN 0042, its price for CLIN 0041 clearly reflected a clerical error correctable without further discussions; that its offer as corrected earns a greater total point score for group I than Severn's offer and that on that basis, the agency must make award to Lektron, which received the highest point total for technical and cost factors combined. We disagree.<sup>1/</sup>

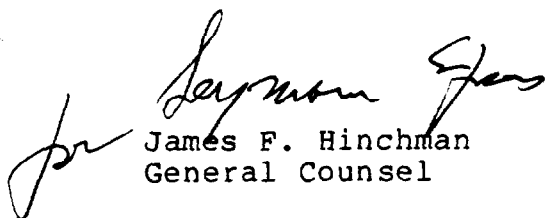
Even where the RFP contains a precise numerical evaluation formula including cost/price and a statement that award will be made to the highest point scored offeror, the contracting officer retains the discretion to examine the technical point scores to determine what significance a point differential between offerors represents. If there is no significant difference in technical merit, then award may be made to the lower cost or priced proposal, even though its total point score is lower. Harrison Systems Ltd., 63 Comp. Gen. 379 (1984), 84-1 CPD ¶ 572. Here, while the RFP contained a numerical evaluation formula which included cost/price, the basis for award was that award would be made to the offeror deemed "most advantageous to the government;" the RFP simply did not require award on the basis of the highest total point score. Lektron argues that the agency did not adequately analyze the difference in technical merit

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<sup>1/</sup> Since the agency reevaluated Lektron's proposal, as corrected, and determined not to award the contract to the firm based on the agency's technical/cost tradeoff analysis, we need not decide whether the claimed mistake was an apparent clerical error that was correctable under the appropriate regulatory standards.

between the competing proposals. The short answer is that both offerors proposed identical basic equipment and that Severn's price for this equipment was substantially lower. While Lektron apparently offered superior contractor support and possessed more extensive experience (the principal technical evaluation factors), the fact remains that the basic equipment offered by both offerors was identical and the contracting officer determined that the superior technical features of Lektron's proposal in these other areas did not warrant paying a premium price. Under these circumstances, since the basis for award was award to the offeror "most advantageous" to the government, and not to the offeror with simply the highest total point scores, we think that award to a lower scored, lower priced offeror was justified. See, generally, The BDM Corp., B-202707, Oct. 28, 1981, 81-2 CPD ¶ 354. Lektron has not shown otherwise.

The protest is denied.

  
James F. Hinchman  
General Counsel